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FOR IMMEDIATE RELEASE:

**FORMER IPD OFFICER AND TWO INDIANAPOLIS AREA
BUSINESSMEN LAST OF 16 DEFENDANTS TO BE
SENTENCED IN MORTGAGE FRAUD SCHEMES**

PRESS RELEASE

Susan W. Brooks, United States Attorney for the Southern District of Indiana, announced that MICHAEL C. SMITH, 45, Indianapolis, Indiana, JOSEPH BRITTON, 47, Fishers, and MARK SPECKMAN, 48, McCordsville, were sentenced to federal prison on Tuesday and Wednesday of this week by U.S. District Judge Sarah Evans Barker following their convictions for conspiracy, wire fraud, and money laundering by a federal jury on September 22, 2006, following a two week trial.

SMITH, who was an IPD police officer at the time of the indictment, was sentenced on Wednesday to 57 months' imprisonment, 5 years supervised release, and ordered to pay restitution of approximately 1.1 million dollars. SMITH was convicted of two separate conspiracies to commit wire fraud and money laundering in connection with two mortgage fraud

schemes ongoing in Indianapolis between 2001 and 2003. The schemes involved two separate mortgage brokerage companies—Quantum Investments and American Savings Mortgage (ASM). SMITH, who worked part-time as a licensed real estate appraiser, provided inflated appraisals for loans to purchase real estate in Indianapolis and Marion, Indiana to the two mortgage brokerage companies. The appraisals were used to obtain loans on properties well in excess of their true value. At the sentencing hearing, Judge Barker found that SMITH had attempted to obstruct justice during the investigation by attempting to persuade a co-conspirator to lie about the condition of the property that SMITH appraised during the scheme. SMITH was terminated from the Indianapolis Police Department following his convictions.

BRITTON and SPECKMAN were both sentenced on Tuesday to 33 months in prison, 3 years supervised release, and ordered to pay restitution of approximately \$900,000 for their roles in providing properties for sale through American Savings Mortgage and then paying kickbacks to others in the scheme. BRITTON and SPECKMAN were partners in Pacific Group and BRITTON owned Aspen Group while Speckman owned HomeSource Investment LLC. BRITTON and SPECKMAN bought properties in the names of the three businesses that were sold at approximately double their true value. After BRITTON and SPECKMAN received the loan proceeds, they kicked back some of the money through a company called Senicure, to the others involved in the conspiracy including the owners of ASM and the buyers of the properties.

At the sentencing hearing for BRITTON, the government presented evidence that Aspen Group (owned by BRITTON), Pacific Group (owned by BRITTON and SPECKMAN), and Del Mar Charitable (owned by BRITTON) had been third on the City of Indianapolis's Top Ten list of properties owners who failed to maintain their investment properties in a safe condition and

that the companies had been cited by the city more than 450 times for health and safety violations on their properties.

This case was the result of a four-year investigation by the Internal Revenue Service, Federal Bureau of Investigation, and the Postal Inspection Service working as a team on the United States Attorney's Mortgage Fraud Task Force. Susan Brooks stated: "I applaud the hard work and dedication of all those involved with unraveling the complex schemes that go into this crime. Mortgage fraud contributes to the deterioration of neighborhoods. Properties that remain vacant for long periods of time can contribute to a rise in crime in some of our neighborhoods. I am proud of the federal law enforcement efforts to help the City."

According to Assistant United States Attorneys Donna Eide and James Warden, who prosecuted the case for the government, SMITH, BRITTON, and SPECKMAN were the last of 16 defendants charged in the schemes to be sentenced. All except one defendant was sentenced to federal prison.

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